

AMENDED IN SENATE APRIL 18, 2005

SENATE BILL

No. 467

Introduced by Senator Lowenthal

February 18, 2005

An act to add Section 44287.1 to the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 467, as amended, Lowenthal. Carl Moyer Memorial Air Quality Standards Attainment Program.

Existing law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which provides grants to offset the incremental cost of eligible projects that reduce oxides of nitrogen from heavy-duty mobile sources in the state. Existing law requires the State Air Resources Board to establish or update grant criteria and guidelines consistent with the program for covered vehicle projects.

This bill would require the state board to revise the grant criteria and guidelines to incorporate projects in which an applicant turns in ~~a nonroad internal combustion engine vehicle or~~ *technology and equipment* that the applicant owns and ~~which~~ *that* still has some useful life, coupled with the purchase of new ~~electric equipment or a vehicle~~ *nonroad electric technology and equipment* that is in a similar category or that can perform the same work. The bill would impose certain restrictions on the state board's evaluation of the cost-effectiveness of a project.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Nonroad electric technologies and equipment, including, but not limited to, electric forklifts and other lift trucks, airport ground support equipment, industrial tow tractors, industrial burden and personnel carriers, sweepers, scrubbers and varnishers, and other small ~~off-road nonroad electric technologies and equipment that replaces similar internal combustion engine nonroad internal combustion technologies~~ and equipment produces a large percentage reduction in criteria air pollutants, including particulates, nitrogen oxides, and reactive organic gases, as well as reductions in greenhouse gas emissions, and contributes to increased fuel diversity and energy security.

(b) These nonroad electric technologies and ~~that~~ equipment are, or should be, eligible for incentives under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code) to the extent that they replace or supplant more polluting *nonroad internal combustion technologies and equipment*, both existing and new.

(c) The State Air Resources Board has restricted eligibility for some categories of *nonroad electric technologies and equipment* because of concerns that in some instances applicants may be replacing old ~~electric equipment with new electric nonroad electric technologies and equipment with new nonroad electric technologies and equipment~~, which may not be producing significant emission reductions.

(d) One way for an applicant to demonstrate that it is replacing ~~existing internal combustion equipment with new electric existing nonroad internal combustion technologies and equipment with new nonroad electric technologies and equipment~~ is to turn in or “scrap” an older piece of *nonroad internal combustion technologies and equipment* that it has owned and that still has some useful life, and replace it with the purchase of new ~~electric nonroad electric technologies and equipment~~. This practice is generally referred to as “scrap and buy” or “scrap and replace.”

(e) An applicant that replaces useful older ~~internal combustion~~ *nonroad internal combustion technologies and equipment* with new ~~electric~~ *nonroad electric technologies and equipment* creates two separate streams of emission reductions, both of which should be counted in this transaction: first, the transaction displaces the emissions from the older *nonroad internal combustion technologies and equipment* for its remaining life; second, *after the remaining life of the older nonroad internal combustion equipment and technologies*, the transaction produces additional emission reductions representing the difference between the purchase of new ~~internal combustion~~ *nonroad internal combustion technologies and equipment* and new ~~electric~~ *nonroad electric technologies and equipment*.

SEC. 2. Section 44287.1 is added to the Health and Safety Code, to read:

44287.1. (a) The state board shall, at its first opportunity, revise the grant criteria and guidelines adopted pursuant to Section 44287 to incorporate projects in which an applicant turns in a ~~nonroad internal combustion engine vehicle or technology~~ *and equipment that the applicant owns and that still has some useful life, coupled with the purchase of new electric equipment or a vehicle nonroad electric technology and equipment* that is in a similar category or that can perform the same work.

(b) When it evaluates the benefits of a project described in subdivision (a), the state board shall count both of the following emission reduction streams:

(1) The displacement of the emissions from the older ~~equipment for its remaining life with the new electric equipment.~~ *nonroad internal combustion technology and equipment for its remaining life with the new nonroad electric technology and equipment.*

(2) ~~The~~ *After the time period specified in paragraph (1), the* displacement of emissions from new *nonroad internal combustion technology and equipment* meeting the emission standards in place at the time, ~~with the new electric equipment over its life.~~ *time of purchase, with the new nonroad electric technology and equipment over its remaining life.*

(d)

(c) A project described in subdivision (a) shall meet the cost-effectiveness criteria in Section 44283 and all other criteria of the program.

(e)

(d) The incremental cost of a project described in subdivision (a) may include, at the discretion of the applicant, some or all of the reasonable salvage value of the nonroad ~~equipment or vehicle~~ *internal combustion technology and equipment* turned in, as determined by the state board, and some or all of any additional costs incurred for necessary recharging equipment or infrastructure as determined by the state board. However, an applicant that elects to include these costs shall be required to meet the cost-effectiveness criteria in Section 44283.

CORRECTIONS:

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